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Les Progrès de la Science Économique depuis Adam Smith. Révision des doctrines économiques. Par MAURICE BLOCK, membre de l'Institut. Paris, Guillaumin, 1890. — 2 vols, 8vo, xii, 557, 598 pp.

The almost complete indifference of French economists to the recent reform movements in other countries has become a by-word. It explains in great part the discredit into which the authority of economic science has fallen in France, — a discredit similar to that noticeable on the other side of the channel a decade ago. In M. Block's "Progress of Economic Science since Adam Smith," we now have a work which in some respects challenges comparison with the best productions of recent times in any country.

M. Block has for years published in the *Journal des Économistes* a periodical review of the newest literature in all languages. As his name indicates, M. Block is of German descent; at all events he was from his earliest years thoroughly familiar with the German language. And it is precisely his complete acquaintance with German literature (which, however, does not in the least detract from his thoroughly French point of view and grace of style) that serves to give the work its peculiar value and distinguishing characteristics. For whatever we may think of them, it is from Germany and Austria that almost all recent impulses to reform in economics have come.

A word first as to the method of the work. At the beginning of each chapter M. Block gives in customary text-book form his own ideas on the subject in question. There is almost no statistical or historical matter, but simply the usual "philosophy" of the topic. This in itself would not attract any particular attention to the work. But the greater portion of each chapter is devoted to an account in smaller print of the views of eminent writers since Adam Smith on the point at issue. The authors are allowed to speak for themselves in extracts sometimes several pages in length, and M. Block then sums up, seeking to reconcile differences and to ascertain whether any real advance of doctrine is apparent. These parts of each chapter constitute the value of the work; for they afford the reader a clear, comprehensive and, it must be said, almost absolutely accurate account of the most important ideas advanced during the century. We have, in fact, a history of recent political economy, arranged not chronologically or by authors, but according to topics. After an introduction which treats of method, definitions and classification, we come to the first and in some respects the most important book — "Fundamental Notions." Here eight chapters treat successively of wants, goods, value, reason and sentiment, egoism and altruism, individualism and socialism, economic laws and the economic principle. The following four books discuss production, circulation, dis-

tribution and consumption of wealth in the customary subdivisions, and the work concludes with a summary of the progress made since Adam Smith. When we reflect that each chapter gives us a succinct *résumé* of the literature, it is evident that we have here a veritable compend of economic science. The work is not intended for beginners or laymen, but it will be a godsend to many whose library or linguistic attainments are limited.

And yet with all its array of interesting and valuable material the work is disappointing. This is mainly for the reason that M. Block is one of the most uncompromising adherents of the classical school. It is indeed true that M. Block objects to the word orthodox, contending that it is not a question of faith, but of knowledge; it is true that he objects to the terms classical school and Manchester school, saying that he is the adherent of no one man and of no one school, but only of the truth, wherever it may be found. All this is very praiseworthy, but the fact remains that M. Block, at what we trust is not yet the end of a long career, almost inevitably identifies the "truth" with the tenets of his earlier *confrères*. France, indeed, has never shared many of the cherished doctrines of the English orthodox school. The French economists, mainly through the common-sense influence of Say, refused from the very beginning to accept many of the mysteries of the Ricardian cult. The wage-fund doctrine, the Ricardian theory of profits and even the law of rent never found a ready acceptance with French writers. And yet the prevalent French political economy has been on the whole the most unbending and unyielding of all; and the study and reputation of the science have been the most unsatisfactory, for reasons which will soon be presented in another place by one of the French economists themselves. In so far as M. Block reflects this general condition, — and he is a representative Frenchman, — his work is disappointing.

A complete statement or criticism of M. Block's views would require an essay about as comprehensive as the work under review. There is room here only for a few general reflections.

The three main points of difference between the classical and the modern school are those of natural law, method and governmental interference. As to each of these questions there are extremists on both sides. It is of course undeniable that there are natural laws in economics, if by a natural law we mean that certain given causes under given conditions will produce certain results. Otherwise there would be no science at all; for the essential work of a science is to explain how and why certain facts necessarily lead to certain consequences. The claim of the extreme historical school that there are no laws in economics would convert the science into a mere mass of undigested

facts. It would rob us of the possibility of ever explaining or analyzing the nature of industrial society. The trouble with the classical school, however, was and is the misuse of the term natural. In their zeal to discover "natural" laws they forgot the limitations of time and condition. They reached results which were hypothetically true, but used them as if they were actually true. M. Block attempts to evade the issue by saying that the laws are eternal and immutable, but that their application is conditional. But the trouble with the orthodox writers is precisely that they confound the abstract law with the application. The real objection to the classical school was not so much that they set forth natural laws, as that they set forth false natural laws. As in the case of the vulgar adversary of "theorists"; what he really objects to is not "theory" (for theory is the basis of all practice), but false theory, which usurps a proud position and looks down on the others with contempt. So the modern economist also, in crying out against "natural laws," really wishes to voice his protest against certain assumed but really false laws. With the veritable economic laws, which are based on a broad foundation, and which are capable of lending themselves to the changing requirements of time, place and condition, the economist can have no issue. But many of the "natural laws" of the Physiocrats and the classical school had no such characteristics. And it was because of the chasm between the ideal law and the actual facts that the classical school came to grief.

Second, as to method. The classical school disdained history and comparison, because the science was to them an exact science like the mathematical sciences. It was so easy comparatively to reel off glittering generalities deduced mathematically from a few general principles, that almost every one with a logical bent felt himself competent to write a treatise on economics. The science, in fact, was fast becoming mere logomachy, out of touch with reality, out of sympathy with facts. The historical school called attention to the importance of laying a broader foundation. They desired to use history and comparison, not simply for verifying, but also for ascertaining principles. Certain extremists have indeed laid themselves open to the charge of being mere historians and not economists. The recent Austrian school has done well to emphasize this point. What is needed is a fusion of the two. The mere accumulation of facts is valueless (except for antiquarian purposes) unless it is made to elucidate some principle. But it is precisely through the analysis of the facts that the trained economist will often succeed in discovering the principle. A great genius will sometimes be able to evolve the law, as it were, intuitively. And we can certainly have no dispute with principles so discovered, if they stand the test of history and comparison. But it is undeniable that the historical method has

often widened the view, that it has been more fruitful of results and more influential in shaping practical legislation, and that it has given the science an impulse which is painfully lacking in those countries still dominated by the older methods. The historical method requires, indeed, more patient study and often weary application; but if the substructure is more solid the edifice is apt to be more enduring. By all means let us have theory. If it is true, let us greet it gladly, whether its source be the deductive or the historical method. But let us not forget that the historical and comparative method alone can furnish us in all cases the means of testing the truth, and in some cases the means of ascertaining the truth. M. Block forgets this, and his argument, therefore, is correspondingly weak.

Third, as to the question of government interference. M. Block shows us clearly enough that the historical extremists have often exaggerated the traditional view of *laissez faire*. And he is not far wrong in asserting that the "ethical" school has frequently mistaken sentimentality for science. But the objections to the orthodox writers are nevertheless well grounded. The opposition to mediæval interference with trade and industry which culminated in the Physiocrats and Adam Smith was certainly a healthy reaction. But the misapplication of the doctrines of individualism and liberty to conditions which obviously demanded some check upon growing injustice and industrial anarchy produced a natural counter-reaction. It was the excessive and often unconscious optimism of the older school which led to socialism. And M. Block, struggle though he may, is still thoroughly imbued with this all-pervading optimism, this contentment with the actual, and impatience of the ideal. There is indeed some excuse for the French writers. For in France, notwithstanding all the orthodox views, government has interfered perhaps more widely and less wisely than anywhere else. But continual harping upon the beauties of actual conditions, and the unfortunate attempt to separate the science which teaches what is from the art which teaches what ought to be, have resulted in the comparative sterility of French economics.

We are fortunate in America in possessing only a few extremists on either side. We are catholic enough to appreciate good work, whether it be done from the historical or from the abstract standpoint; and some of us at all events believe that a combination of the two is not only possible, but in reality the most desirable and logical means of progress. M. Block does not agree with us; but let us not on that account forget that he has written a work of the first importance and of enduring value.

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